



State of Washington  
**PUBLIC DISCLOSURE COMMISSION**

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9:30 a.m.  
January 25, 2005

**MINUTES – REGULAR MEETING**

Evergreen Plaza Building, Room 206  
711 Capitol Way South  
Olympia, Washington

**COMMISSION MEMBERS PRESENT**

Michael Connelly, Chair  
Jeannette Wood, Vice Chair  
Francis Martin, Secretary  
Earl Tilly, Member

**STAFF PRESENT**

Vicki Rippie, Executive Director  
Susan Harris, Asst. Director  
Michael Smith, Chief Technology Officer  
Nancy Krier, Senior Counsel  
Linda Dalton, Sr. Asst. Attorney General  
Ruthann Bryant, Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Michael Connelly at 9:30 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

**Commissioner Comments**

Commissioner Tilly commended staff for the progress made in achieving the goals and objectives contained in the strategic plan.

**Citizen Comments/Concerns**

No citizen comments or concerns were expressed.

**Minutes**

**Motion 05-052**

Moved by Commissioner Martin, seconded by Commissioner Wood:

**The Commission adopts the minutes  
of December 2, 2004, as written.**

The motion passed unanimously.

COGEL Review

Commissioner Connelly, Senior Counsel Nancy Krier, Michael Smith and Susan Harris each discussed their experiences during the 2004 COGEL Conference held in San Francisco.

Legislation

Vicki Rippie reported on current legislation that would have an impact on the operation of the Public Disclosure Commission if passed into law.

House Bill 1104 Disposal of Surplus Funds – The Commission took no formal action.

House Bill 1130 Eliminating Drop-in Inspections of Campaign Accounts

**Motion 05-053**

Moved by Commissioner Martin, seconded by Commissioner Tilly:

**The Commission supports House Bill 1130 relating to elimination of drop-in inspections of campaign accounts.**

The motion passed unanimously.

House Bill 1133 Reorganizing Public Disclosure Law

**Motion 05-054**

Moved by Commissioner Tilly, seconded by Commissioner Wood:

**The Commission supports House Bill 1133 relating to reorganizing the Public Disclosure Law.**

The motion passed unanimously.

House Bill 1389 relating to grounds for recall – The Commission took no formal action.

Senate Bill 5219 Changing Primary Dates. Staff recommended that the bill be amended to include changes in the disclosure law so that post-primary C-4 reports would be required from those currently exempt, thus avoiding a 10-week gap in reporting.

**Motion 05-055**

Moved by Commissioner Tilly, seconded by Commissioner Martin:

**The Commission supports the amendment recommended by staff.**

The motion passed unanimously.

House Bill 1226 relating to campaign contribution limits. Representative Shay Schual-Berke summarized the bill and requested Commission support.

Staff recommended a technical amendment to Section 4 maintaining the current language for state office candidates and the proposed language in Section 4 only for new candidates being brought under limits.

**Motion 05-056**

Moved by Commissioner Tilly, seconded by Commissioner Martin:

**The Commission supports the amendment recommended by staff.**

The motion passed unanimously.

The Commission took no action on the overall bill.

Ms. Rippie also discussed three staff proposed amendments to House Bill 1144, Electioneering Communications, and companion measure Senate Bill 5034 to incorporate stakeholder concerns.

**Motion 05-057**

Moved by Commissioner Wood, seconded by Commissioner Martin:

**The Commission approves the amendments as presented.**

The motion passed unanimously.

Attorney Jim Oswald, representing various labor unions, and Elliot Swaney, Political Director of BIAW, expressed concern regarding disclosure of member lists for labor unions and trade

associations if the organization were to sponsor an electioneering communication.

Staff was directed to develop an amendment removing disclosure of member names when only general treasury funds are used for a communication and no additional funds are received for the expense.

**Motion 05-058**

Moved by Commissioner Martin, seconded by Commissioner Wood:

**The Commission approves amending the Electioneering Communications bill to eliminate disclosure of member names when an organization uses its general treasury funds to make an electioneering communication, unless the member gives more than \$250 specifically for an electioneering communication.**

The motion passed unanimously.

Rule Making  
Public Hearing

Doug Ellis reported on several proposed rule amendments scheduled for public hearing:

- Amend WAC 390-17-310 Doing Business in Washington
- Amend WAC 390-37-160 Statement of financial affairs (F-1) penalty schedule
- Amend WAC 390-37-165 Candidate registration statement (C-1)/candidate statement of financial affairs (F-1) penalty schedule
- Amend WAC 390-37-170 Lobbyist monthly expense report (L-2) penalty schedule
- Amend WAC 390-37-175 Lobbyist employer report (L-3) penalty schedule

If approved, staff will file the CR 103 with the Office of the Code Reviser and the rules will become effective 31 days after filing.

No public testimony was offered.

**Motion 05-059**

Moved by Commissioner Tilly, seconded by Commissioner Martin:

**The Commission adopts as presented language for WAC 390-17-310 Doing Business in Washington, WAC 390-37-160 Statement of financial affairs (F-1) penalty schedule, WAC 390-37-165 Candidate registration statement (C-1)/candidate statement of financial affairs (F-1) penalty schedule, WAC 390-37-170 Lobbyist monthly expense report (L-2) penalty schedule, and WAC 390-37-175 Lobbyist employer report (L-3) penalty schedule.**

The motion passed unanimously.

Advisory Matter

Senior Counsel Nancy Krier briefly discussed a request submitted by the Washington State Republican Party for clarification with regard to contribution limits if a "Re-Vote" election for governor is granted by the courts.

Since the Commission's decision is dependent on what type of election, if any, is ordered by the court, the Commission deferred action regarding this matter until court proceedings are complete.

Reporting Modifications

New

*Margaret Stanley, newly appointed to Public Employee Benefits Board*

Kurt Young reported that Ms. Stanley requests an exemption from reporting the business and other governmental customers of the Joint Commission on the Accreditation of Healthcare Organizations, where she is a board member, and Regence BlueShield, where she was an officer, until June 4, 2004. She is requesting a modification for her initial F-1 and for the F-1 covering calendar year 2004.

**Motion 05-060**

Moved by Commissioner Martin, seconded by Commissioner Tilly:

**The Commission grants Margaret Stanley the requested reporting modification.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

*Stanley Barer, newly appointed to the Board of Regents of the Univ. of Washington*

Mr. Young reported that Mr. Barer requests an exemption from reporting the business customers of the Basketball Club of Seattle, where he is a director, that purchased ticket packages for attendance at basketball games of the NBA franchise Seattle Super Sonics and/or WNBA franchise Seattle Storm. He is requesting a modification for his initial F-1 and for the F-1 covering calendar year 2004.

**Motion 05-061**

Moved by Commissioner Wood, seconded by Commissioner Tilly:

**The Commission grants Stanley Barer the requested reporting modification.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

Staff Reports

Executive Director

Vicki Rippie briefly discussed legislative visits made by Commissioner Connelly and her. She also reported that the Governor's Office is conducting a review of all unconfirmed members of boards and commissions and is expected to complete the review by February 9<sup>th</sup>.

Assistant Director

Susan Harris reported that Karen Copeland will be retiring in February and Suemary Trobaugh has been selected as Administrative Officer. She also noted that Kurt Young has been promoted to Compliance Officer and has assumed duties associated with brief enforcement hearings and reporting modifications.

Chief Technology Officer

Michael Smith introduced Craig Franchuk who was hired to assist in the development of the ORCA program. He also provided a demonstration of the online Lobbyist Pictorial Directory.

Senior Counsel

Nancy Krier briefly updated the status of current litigation.

Progress Reports

Vicki Rippie discussed the FY 2004 Annual Report and Susan Harris reported on progress made in implementing the current Strategic Plan.

Executive Session

The Commission went into executive session at 11:40 a.m. to discuss pending and potential litigation with legal counsel.

Public Session

The Commission returned to public session at 12:06 p.m. and recessed for lunch until 12:45 p.m.

Enforcement Matters  
Reports

*Mainstream Republicans of WA,  
Case #05-110*

Susan Harris reported on a 45-day Citizen Action Letter filed against the Mainstream Republicans of Washington concerning alleged violations of RCW 42.17.103, .510, .530 and .640 by 1) failing to timely file a special report of independent expenditures; 2) failing to include complete sponsor identification on political advertising; 3)

sponsoring political advertising containing a false endorsement; and 4) making contributions to Citizens for Sam Reed and Committee to Re-Elect Doug Sutherland in excess of allowable contribution limits. She read the Stipulation of Facts, Violations and Penalty into the record.

Sid Morrison, Chair of the Mainstream Republicans of Washington, was present and apologized to the Commission for the actions of the committee. He urged the Commission to accept the Stipulation.

Attorney Jim Oswald, complainant on behalf of the Washington Conservation Voters, stated that the settlement was not appropriate and the penalty was inadequate and unacceptable.

**Motion 05-062**

Moved by Commissioner Tilly, seconded by Commissioner Wood:

**In PDC Case #05-110, Mainstream Republicans of Washington, the Commission accepts the Stipulation of Facts, Violations and Penalty of \$15,000 with \$5,000 suspended based on the terms outlined in the Stipulation.**

Voting For: Commissioners Connelly, Tilly and Wood.

Voting Against: Commissioner Martin.

The motion passed.

*Citizens for Sam Reed, Case #05-110*

Susan Harris reported on an investigation into allegations that Citizens for Sam Reed violated RCW 42.17.640 by accepting contributions from Mainstream Republicans of Washington in excess of allowable contribution limits. She read the Stipulation of Facts, Violations and Penalty into the record.



Grant Degginger, attorney for Mr. Reed, was present and urged the Commission to accept the Stipulation.

Attorney Jim Oswald, complainant on behalf of the Washington Conservation Voters, stated that the settlement was not appropriate and the penalty was inadequate and unacceptable.

**Motion 05-063**

Moved by Commissioner Wood, seconded by Commissioner Tilly:

**In PDC Case #05-110, Citizens for Sam Reed, the Commission accepts the Stipulation of Facts, Violations and Penalty of \$5,000 with \$2,500 suspended based on the terms outlined in the Stipulation.**

Voting For: Commissioners Connelly, Tilly and Wood.

Voting Against: Commissioner Martin.

The motion passed.

*Bill Ptacek, Director, King Co Rural  
Library District, Case #05-125*

Commissioner Connelly noted for the record that the Respondent's attorney, Steven Smith, has worked for the City of Spokane and they have had conversations on unrelated matters.

Phil Stutzman reported on a 45-day Citizen Action Letter against Bill Ptacek concerning alleged violations of RCW 42.17.130 by authorizing the preparation and distribution of material that promoted the passage of a September 14, 2004 Capital Bond Ballot Proposition.

Mr. Stutzman requested that the Commission dismiss the allegations that the King County Library System sent its surplus books to the King County Library System Foundation so that proceeds from these sales could be sent to the associated campaign of People for Libraries political committee in support of the ballot proposition. He also requested dismissal of

allegations that the King County Library System inappropriately used the title of judges, who are members of the Board of Trustees.

Staff believes that the Commission's penalty authority is not sufficient in this matter and recommends that the Commission report the remaining apparent violations regarding Bill Ptacek and the King County Rural Library District to the Office of the Attorney General for appropriate action.

Steven Smith stated that the materials produced were not promotional and are part of normal and regular conduct for the library system. He requested that the case be dismissed in full.

Will Knedlik, complainant, was present and urged the Commission to refer the matter to the Office of the Attorney General.

**Motion 05-064**

Moved by Commissioner Martin, seconded by Commissioner Wood:

**In PDC Case #05-125, Bill Ptacek, the Commission dismisses allegations that the King County Library System made wrongful gifts of public property to fund its associated campaign operation and allegations that the King County Library System wrongfully exploited the prestige of the state's judiciary.**

The motion passed unanimously.

**Motion 05-065**

Moved by Commissioner Martin, seconded by Commissioner Tilly:

**In PDC Case #05-125, Bill Ptacek, the Commission sets the matter for full enforcement hearing.**

The motion passed unanimously.

Hearings:

*Ed Herbert, Case #0-663*

Sr. Assistant Attorney General Linda Dalton summarized the case against Mr. Herbert for alleged violations of RCW 42.17.130 by using school mailboxes to distribute and collect Referendum 55 and Initiative 884 petitions and using his school computer in support of placing Referendum 55 and Initiative 884 on the November 2, 2004 ballot. Ms. Dalton read the Stipulation of Facts into the record.

**Motion 05-066**

Moved by Commissioner Martin, seconded by Commissioner Tilly:

**In PDC Case #04-663, Ed Herbert, the Commission accepts the Stipulation of Facts.**

The motion passed unanimously.

*Dennis Nusbaum, Case #04-664*

Ms. Dalton summarized the case against Mr. Nusbaum for alleged violations of RCW 42.17.130 by using school mailboxes to collect Referendum 55 and Initiative 884 petitions and using his school computer in support of placing Referendum 55 on the November 2, 2004 ballot. She also read the Stipulation of Facts in to the record.

Harriet Strasberg, attorney for Mr. Herbert and Mr. Nusbaum, stated that the parties do not believe they were in violation of the law at the time they forwarded email and placed the petitions in school mailboxes. She requested that either the case be dismissed or that a minimal penalty be imposed.

**Motion 05-067**

Moved by Commissioner Martin, seconded by Commissioner Tilly:

**In PDC Case #04-664, Dennis Nusbaum, the Commission accepts the Stipulation of Facts.**

The motion passed unanimously.

**Motion 05-068**

Moved by Commissioner Connelly, seconded by Commissioner Tilly:

**In PDC Case #04-663, Ed Herbert, and in PDC Case #04-664, Dennis Nusbaum, the Commission finds a violation of RCW 42.17.130 in each case and assesses each a penalty of \$500 with \$450 suspended based on no future violation of RCW 42.17 for two years.**

The motion passed unanimously.

Adjournment

Commissioner Connelly adjourned the meeting at 3:35 p.m. The next meeting is scheduled for Tuesday, February 22, 2005.

Approved by the Commission 2/22/05